

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Labour Employment Training & Factories Department – Insurance Medical Services – Mahindra & Mahindra Ltd., Zaheerabad, Medak District - Grant of exemption from Employees State Insurance coverage under section 88 of E.S.I. Act, 1948 – Rejected – Orders – Issued.

LABOUR EMPLOYMENT TRAINING & FACTORIES (IMS) DEPARTMENT
G.O.Rt.No.1180 Dated:23.10.2010
Read the following:-

1. Representation dated 18.05.2010 from the Vice- President of Mahindra & Mahindra Ltd., Zaheerabad, Medak District.
2. From the DIMS Lr.Rc.No.12628/P1/2008, dated .09.2010.

ORDER:

In the reference 1st read above, Vice-President, Mahindra & Mahindra Limited has stated that all their employees who are outside the ESI coverage limit, are covered under a general Insurance health scheme. The company pays a huge premium of Rs.743.31 per month / employee and the employees also pay Rs.495.54 per month as their contribution. The policy is renewed every year and the present policy is valid till 13th Feb-2011. The policy covers all the diseases, all the members in the family (self, spouse & two children). As we have this tie up with hospitals for the past 15 years, the services extended by these hospital are immediate, cashless and of very high quality. The Mediclaim policy is valid till 13th Feb-2011, the 195 employees now coming under the scheme will have to pay additionally for the ESI coverage while continuing to pay for Mediclaim policy. He has requested the Government for grant of exemption to their 195 employees from the coverage of ESI Act from 01.05.2010 to 12.02.2011 under section 88 of ESI Act.

2. In the reference 2nd read above, the Director of Insurance Medical Services, Andhra Pradesh, Hyderabad has stated that the Exemption Committee in its meeting held on 31.08.2010, and the committed has stated that employer has provided details of benefit provision to their employees which is Mediclaim policy with New India Assurance Company of employees covers all diseases in respect of the employee, spouse and two children only but it does not cover the parents and other dependents if any. As per policy, certain restrictions have been prescribed so far as the sum insured is concerned. Obviously, the policies of Insurance Companies are based on premium payable considering the sum insured. Higher the rank, higher may be the insured sum, details of which have not been provided. All lives are not being treated equally. The employer has provided only information pertaining to medical facilities and has not informed anything regarding other benefits in contingencies. In totality, the benefits provided by the employer is neither similar nor superior to the benefits provided under the Act. The Committee, therefore, unanimously recommended for not to grant exemption.

3. Government, after careful examination of the recommendations of the Standing Committee for Exemptions, have decided to reject the request of the Mahindra & Mahindra Limited, Zaheerabad, Medak District for grant of exemption with retrospective effect from 01.05.2010 to 12.02.2011 under section 88 of E.S.I. Act, 1948, as the benefits provided by the employer to their employees are inferior to that of benefits provided under the ESI Act, 1948.

4. The Director of Insurance Medical Services, Andhra Pradesh, Hyderabad is requested to take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D. SREENIVASULU
SECRETARY TO GOVERNMENT

To

The Director of Insurance Medical Services, AP., Hyderabad.

Copy to:

The Management, Mahindra & Mahindra Limited,
Automotive Sector, Mahindra Nagar,

Zaheerabad, Medak District 502-220.

The Regional Director, ESI Corporation, Hill Fort Road, Hyderabad.

Sf/Sc

/FORWARDED :: BY ORDER//

SECTION OFFICER